

**CONFIDENTIAL
ISSUES NOTE**

Ministry: Energy and Mines

Date: October 2, 2012

Minister Responsible: Hon. Rich Coleman

**\$514M Renovation vs.
BC Place Economic
Activity**

SUGGESTED RESPONSES:

- The primary purpose of BC Place is to stimulate economic activity.
- The new stadium is expected to generate an estimated 100 million dollars in economic activity per year – up from \$58 million per year prior to the revitalization.
- The Province loaned PavCo \$150 million towards the revitalization project. PavCo will repay its loan over a 35-year term.
- The complete revitalization of BC Place cost \$514 million and was completed \$49 million under budget.
- If a new, similar stadium was to be built from the ground-up, it would cost more than \$1-billion.
- The new BC Place is expected to serve the province for the next 40 years.

BACKGROUND:

On October 1st, 2012, Bob Mackin appeared on CKNW's Bill Good Show to talk about the one year anniversary of the opening of BC Place. Mackin made several comments about the cost of the BC Place renovations and reference to how PavCo would recuperate the dollars spent on the revitalization project – including a new retractable roof.

Mackin stated:

"..In January 2009 the government put out a news release, January 9, 2009 that said the full cost of the project would be \$365m, not just the roof but everything underneath it. There was a bit of a delay that summer, and it was a revised budget of \$458m. Eventually Kevin Krueger, the minister responsible, did fess up, said there was about \$105m more in other maintenance to add to the bill, so the total cost was going to be \$563m. So it didn't quite go from a \$12m engineering study to \$563 and then to this \$49m under budget that we hear about this summer. It was a long process, and people who are experts in this field would call it cost overruns.

"Again, this is all taxpayer money for us now that was taken from the Treasury, and there was no business plan published. I made a lot of freedom-of-information requests to try to get the business plan, to find out what their assumptions were and why they were going forward with it in this fashion, to see what kind of justification they had for spending this large pot of public money."

BC Place budget background:

The final approved budget for the stadium revitalization project was \$563 million.

The Province has loaned PavCo \$150 million towards the revitalization project. PavCo will repay its loan over a 35-year term (2013 – 2048).

The remaining budget came from PavCo's own source revenues (\$96 million) – along with deferred maintenance funds (\$40 million) and a \$277 million capital grant, both from the Province.

The complete revitalization of BC Place cost \$514 million. The project was completed \$49 million under budget primarily through savings achieved during the Phase 2 Retractable Roof project.

The \$49 million in savings reduced the Province's grant to \$228m.

Economic Impacts:

BC Place is one of only a few stadiums in North America that is home to two professional sports teams, the region's largest exhibitions, plus international concerts and special events on a grand scale.

BC Place also serves as a unique community asset, the only facility of its kind capable of handling BC's largest public gatherings that contribute to improving the lifestyles of millions of British Columbians.

More than 5000 people worked to recreate BC Place over a 3-year period of revitalization. BC Place continues to keep thousands of British Columbians employed through a busy workforce, including the many local producers and specialists that supply goods and services to the stadium.

Attendance in the first year since reopening, (Sep 2011 to Sep 2012) will be approx. **1.43 million** – the highest in recent years and about 500,000 more than our last 'normal' year at BC Place (fiscal 2010 drew 1.27million and included Olympic events).

Funding for the revitalization project was approved through the Treasury Board process. It was separate from revenue streams that PavCo will receive through sources including sponsorship or naming rights, income from additional events, and through lease payments on PavCo owned lands.

Both the City of Vancouver and PavCo want the land adjacent to BC Place to be commercially developed and lease payments will help offset the revitalization costs.

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File Created:	Oct 2012	
File Updated:		
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Minister's Office	Program Area A/ADM	Deputy	Comm. Dir
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**CONFIDENTIAL
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Ministry: Energy and Mines
Date: October 4, 2012

Minister Responsible: Hon. Rich Coleman

**PavCo Chair
Recognition Ceremony**

SUGGESTED RESPONSES:

- As Chair of PavCo's board, Mr. Podmore has been instrumental in leading the organization through the development of both the Vancouver Convention Centre and BC Place.
- David Podmore's term as chair has ended, and an event to thank him for providing his leadership and extensive building expertise is appropriate.
- Mr. Podmore generously donated six years of his time and expertise for only \$1 per year.
- The recognition event that was held was a small dinner supported by generous donations.

BACKGROUND:

A recognition dinner for outgoing PavCo Board Chair, David Podmore was held at the Vancouver Convention Center on October 9, 2012 to thank Mr Podmore for his six years of service and recognize his superior contribution to PavCo and the Province.

Total cost to PavCo anticipated at less than \$4,000. Final costs will be available once invoices have been received.

Approximately 35 guests attended the event including Minister Bell and Mary McNeil; current and past PavCo Board members; executive staff and selected contractors.

Donations were received from Centerplate and Pace Group.

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**CONFIDENTIAL
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Ministry: Energy and Mines

Date: September 13, 2012

Minister Responsible: Hon. Rich Coleman

**Coal Harbour
Residents Opposition
to VHFC Terminal**

SUGGESTED RESPONSES:

- There has always been a plan for floatplanes to operate out of the convention centre. The current plan is a modification, but a relatively minor one.
- There is no change anticipated to the number of flights, or the takeoff and landing areas.
- The seawall reconstruction is a very positive outcome of this plan, and one that PavCo has been anxious to complete for some time.
- The Vancouver Harbour Flight Centre float plane terminal is an important transportation hub that connects passengers to many parts of the Province.
- Coal Harbour is a working harbour with reasonable water traffic and various businesses operating along its waterfront.
- The VHFC will be an improvement in terms of environmental management, and aesthetics.

BACKGROUND:

On September 12, 2012, the City of Vancouver invited approximately 12 strata council leaders to a roundtable presentation to inform the Coal Harbour Residents Association about the resolution that has been reached to relocate Harbour Air's downtown Vancouver operations.

A slideshow was used to outline the process that will see the relocation happen by the end of 2013.

Reaction was negative as this group of residents has been vocal since 2004 about noise from floatplanes and a desire to have air traffic removed from the area as much as possible

The news that VHFC would expand westward by about 60 metres with a new extension was not well received, with complaints about getting a larger VHFC than first promised, and ongoing noise issues.

The fact that the new extension juts northward into Port of Vancouver jurisdiction was also opposed. Dana Hayden of PavCo informed them the Port was working with the group to clear the way for this.

Residents mainly opposed the fact that this was being presented to them as what will happen, without anyone ever consulting them.

The residents had a lawyer present as well who did not make presentations, but took notes.

The meeting ended without resolution, but it would be reasonable to expect

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**CONFIDENTIAL
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Ministry: Energy and Mines

Date: Oct. 11, 2012

Minister Responsible: Hon. Rich Coleman

**Possible Roof Leaks at
BC Place**

SUGGESTED RESPONSES:

- Minor leaks that could occur are not expected to affect any events planned for the building.
- Areas where rain may seep through are being monitored and will be addressed immediately by the general contractor.
- There is no cost to taxpayers for this work, and the fixed roof is protected by a 20-year warranty.
- This final work to complete the permanent seals and eliminate leaks will continue until the roof is 100% water tight and operating as it was designed to.
- The stadium revitalization is complete and overall the facility is performing exceptionally well.

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<p style="text-align: center;">CONFIDENTIAL ISSUES NOTE</p> <p>Ministry of Energy, Mines & Natural Gas Dated: August 10, 2012 Minister Responsible: Rich Coleman</p>	<p style="text-align: center;">BC Place Technology Supply Agreement</p>
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ADVICE AND RECOMMENDED RESPONSE:

- The infrastructure that has been installed by TELUS ensures that BC Place is one of the most technologically advanced stadiums in the world, something British Columbians can be proud of.
- PavCo has purchased the technology infrastructure installed in BC Place from TELUS.
- Both PavCo and TELUS look forward to a continued positive relationship.

If asked about the agreement:

- The total value of the agreement to purchase technology infrastructure installed by TELUS is S17
- Upgrades installed by TELUS have resulted in the new BC Place being one of the most technologically advanced stadiums in North America, providing a superior experience for clients and meeting the demands of increasingly connected Guests.
- The agreement was negotiated in the interests of providing the best value for taxpayers.
- Details of the agreement will remain confidential due to the commercially sensitive nature of the technology installed.
- TELUS will continue to provide technology services to BC Place.

If asked about possible claims and liability associated with Naming Rights:

- After lengthy negotiations, the B.C. government decided not to enter into an agreement for the BC Place naming rights with TELUS.
- Both BC Place and TELUS have put the subject of naming rights behind them, and consider the matter closed.
- As evidenced by this technology agreement, government and TELUS continue to have a strong, positive relationship.

If asked about Naming Rights or Sponsorship:

- After lengthy negotiations, the B.C. government decided not to enter into an agreement for the BC Place naming rights with TELUS.
- The decision was made that the deal was not a good one for taxpayers.
- PavCo is looking for alternative advertising revenue sources within the stadium.
- As evidenced by this agreement, government and TELUS continue to have a strong, positive relationship.

If asked about Outdoor Video Boards:

- PavCo owns the outdoor video boards.
- BC Place has listened to the concerns raised by its neighbours, and has taken steps to reduce the hours of operation and the brightness of the boards.
- BC Place has met with representatives of the City of Vancouver and both parties have reached a consensus regarding the operation of the boards.
- The video-boards do not operate overnight.

KEY FACTS:

The \$563 million capital budget for the BC Place roof replacement and stadium revitalization project included an allocation for technology/telecom upgrades. Initially, S17

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Over the past several months, PavCo and TELUS have conducted complex negotiations involving a combination of naming rights for BC Place, provision of several types of telecommunications equipment, services, and S13

Ultimately, the decision was made that the naming rights deal was not a good one for British Columbian taxpayers. The government directed PavCo to look for alternative advertising revenue sources in the stadium.

PavCo and TELUS continued their negotiations regarding the telecommunications infrastructure.

Upgrades installed by TELUS have resulted in the new BC Place being one of the most technologically advanced stadiums in North America, providing a superior experience for Clients and meeting the demands of increasingly 'connected' Guests.

All technology upgrades were installed prior to Sept. 30, 2011.

Sponsorship and/or advertising opportunities for S17 within BC Place, will be reviewed against BC Place's corporate partnership guidelines. The guidelines take into account strategic objectives of the stadium, current partners and clients.

<p style="text-align: center;">CONFIDENTIAL ISSUES NOTE</p> <p>Ministry of Jobs, Tourism and Innovation Dated: August 10, 2012 Minister Responsible: Hon. Pat Bell</p>	<p style="text-align: center;">BC Place Technology Supply Agreement</p>
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